

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Publicis Groupe

For the year ended December 31, 2020

Statutory auditors' report on the consolidated financial statements

MAZARS
Tour Exaltis
61, rue Henri Regnault
92075 Paris-La Défense cedex
S.A. à directoire et conseil de surveillance
au capital de € 8 320 000
784 824 153 R.C.S. Nanterre

Commissaire aux Comptes

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes

Publicis Groupe

Year ended December 31, 2020

Statutory auditors' report on the consolidated financial statements

To the Annual General Meeting of Publicis Groupe

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Publicis Groupe for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*' section of our report.

■ Independence

We conducted our audit engagement in compliance with independence requirement rules required by the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

■ Revenue recognition

(Notes 1.3 « Revenue », « Assets on contracts » and « Liabilities on contracts » and 26 « Liabilities on contracts » to the consolidated financial statements)

Risk identified	<p>Total revenue amounts to €10,788 M as of December 31, 2020 in the consolidated financial statements.</p> <p>Service contracts between the Group and its clients include specific contractual terms. Accounting standards related to the recording of this type of contracts require a detailed analysis of contractual obligations and criteria when control of a service is passed to the customer, particularly in case of complex contracts.</p> <p>An error in the analysis of contractual obligations and terms for determine when control of a service is passed to the customer may lead to an error in revenue recognition.</p> <p>Consequently, we consider revenue recognition to be a key audit matter.</p>
Our response	<ul style="list-style-type: none">➤ For each type of contract, we obtained an understanding of the revenue recognition process established by the management, from the conclusion of the agreement, through the performance of the services, invoicing and booking the corresponding entries in the accounts, to the receipt of payment.➤ We evaluated the key controls concerning the processes and information systems relating to revenue.➤ We assessed the appropriateness and correct application of the accounting principles and methods relating to revenue recognition.➤ We performed tests of details on accounting for revenue by reference to the signed agreements as well as other external supporting evidence. We also assessed the proper cut-off of accounting periods.➤ We have assessed the contractual documentation and the analysis made by the Groupe, including the recoverability of trade receivables and WIP balances.

■ Valuation of goodwill and intangible assets

(Notes 1.3 « Goodwill », 6 « Depreciation, amortization and impairment loss », 11 « Goodwill » and 12 « Intangible assets, net » to the consolidated financial statements)

Risk identified	<p>The business development of Publicis Groupe notably involves external growth transactions. These acquisitions have resulted in the recording of significant goodwill and intangible assets in the consolidated balance sheet.</p> <p>As of December 31, 2020, net goodwill amounts to €10,858 M in the consolidated balance sheet.</p> <p>Publicis Groupe performs impairment tests at least once a year. An impairment loss is recognized whenever the recoverable amount is below the carrying amount, the recoverable amount being the higher of value in use and fair value less transaction costs.</p> <p>As part of the launch of its country model, which became fully operational as of January 1, 2020, Publicis Groupe defined cash-generating units corresponding to the ten key markets in which the Group operates and to which goodwill has been reallocated. Impairment tests of these ten cash-generating units were performed prior to this reallocation and no impairment was identified at the date of reallocation.</p> <p>The valuation of the recoverable amount of these assets involves the use of numerous estimates and judgments from the management, in particular the assessment of the competitive, economic and financial environment in the countries where the Group operates, the effects of Covid-19 economic crisis, the Group's ability to generate operating cash flow as a result of strategic plans, in particular the levels of revenue and operating margin, and the determination of discount and growth rates.</p> <p>The impairment tests on goodwill resulted in Publicis Groupe recognizing a loss of €15 M in 2020.</p> <p>As of December 31, 2020, net intangible assets amount to €1,509 M. To be noted that the amortisation charge relating to Epsilon intangibles amounts to 196 million euros, including an accelerated amortisation charge of €64 million following the completion of an impairment test to align the carrying amounts with their recoverable amounts.</p> <p>We consider that the valuation of goodwill and intangible assets constitutes a key audit matter, given the sensitivity of these items to the assumptions used by the management and the materiality of the amount of these in the consolidated financial statements.</p>
Our response	<ul style="list-style-type: none">➤ We obtained an understanding of the procedure and key controls set up by the management to perform the impairment tests and notably for the determination of the cash flows used to calculate the recoverable amount.➤ We assessed the terms and conditions of the reallocation of goodwill carried out on 1 January 2020 and the absence of impairment to be recognised at the date of the reallocation.➤ In order to assess the reliability of the business plans data used to calculate the recoverable amount:<ul style="list-style-type: none">○ we compared the 2021 financial projections with the previous financial projections and with the actual results for the fiscal years concerned;○ we conducted interviews with the independent expert engaged by Publicis Groupe for impairment tests' purposes and with the financial and operational managers of Publicis Groupe to evaluate the main assumptions used in the 5 years business plans that take into account Covid-19 economic crisis effects, and compare these with the explanations obtained;

- we compared the main assumptions used by the management of Publicis Groupe concerning revenue, operating margin and investments with external data when available, such as market studies or analysts' reports;
 - we evaluated the sensitivity analyses performed by the independent expert and carried out our own sensitivity analyses on the key assumptions in order to assess the potential impacts of these assumptions on the conclusions of the impairment tests.
- Concerning the models used to determine the recoverable amounts, we involved our valuation experts in order to:
- test the mathematical reliability of the models and re-calculate the significant amounts;
 - evaluate the methods used to determine the discount and infinite growth rates, compare these rates with market data or external sources and re-compute these rates using our own data sources.
- We also assessed the appropriateness of the information set out in note 6 to the consolidated financial statements, which discloses the main assumptions used to determine the recoverable amounts.

■ Provisions for risks and litigation & uncertainty over income tax treatments

(Notes 1.3 « Provisions », 9 « Income tax » and 21 « Provisions for risks and litigation » to the consolidated financial statements)

Risk identified	<p>Publicis Groupe operates in more than 100 countries and is therefore subject to varying, complex and constantly changing laws and regulations (including tax legislation).</p> <p>Furthermore, within the framework course of its activity, Publicis Groupe, its subsidiaries or its clients may face, on its own or jointly with other parties, legal actions brought by third parties, by competitors of its clients, by an administrative or regulatory authority or by a consumer association.</p> <p>Management's evaluation of the associated risks has led Publicis Groupe to recognize provisions for risks and litigation in the amount of €115 M as at December 31, 2020, and to recognize some uncertain income tax liability in the amount of €196 M as at December 31, 2020.</p> <p>In view of the materiality of these provisions, the uncertainty regarding the outcome of the proceedings initiated and the high degree of judgment used by the management to estimate the risks and the amounts recognized, we consider the risks and litigations and the understatement of the corresponding provisions to be a key audit matter.</p>
Our response	<ul style="list-style-type: none">➤ We assessed the procedures implemented by the management in order to identify and list all the risks related to lawsuits or to commercial, regulatory or tax disputes.➤ We obtained an understanding of the internal reports on the disputes prepared by the local teams and compiled by the legal department.➤ We assessed the estimate of costs related to these risks:<ul style="list-style-type: none">○ by considering the risk analysis performed by Publicis Groupe and by discussing each significant dispute, whether at the litigation or pre-litigation stage, with the legal department and, when applicable, the tax department of the Company and its subsidiaries;○ by inquiring the external advisers of Publicis Groupe or by obtaining legal advice on the most significant disputes.➤ We have assessed the appropriateness of the information provided in the notes to the consolidated financial statements concerning the risks related to a lawsuit or a commercial, regulatory or tax dispute.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's information given in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

■ Appointment of the Statutory Auditors

We were appointed as statutory auditors of Publicis Groupe by your Annual General Meeting held on June 25, 1981 for MAZARS and on June 4, 2007 for ERNST & YOUNG et Autres.

As at December 31, 2020, MAZARS and ERNST & YOUNG et Autres were in the 40th year and 14th year of total uninterrupted engagement respectively (ERNST & YOUNG Audit having previously served as statutory auditor of Publicis Groupe from 2001 to 2006).

■ Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*).

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Management Board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

■ Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- ▶ Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

■ **Report to the Audit Committee**

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No; 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense and Courbevoie, February 3, 2021

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Olivier Lenel

Ariane Mignon

Nicolas Pfeuty

Valérie Desclève